

TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER ii: INSURANCE PRODUCERS, LIMITED INSURANCE
REPRESENTATIVES AND BUSINESS ENTITIES

PART 3118
LICENSING OF PUBLIC ADJUSTERS

Section

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AUTHORITY: Implementing Article XLV and authorized by Section 1615 of the Illinois Insurance Code [215 ILCS 5].

SOURCE: Adopted and codified at 6 Ill. Reg. 14622, effective November 16, 1982; amended at 14 Ill. Reg. 17978, effective October 18, 1990; amended at 30 Ill. Reg. 19367, effective November 29, 2006; recodified from the Department of Financial and Professional Regulation to the Department of Insurance pursuant to Executive Order 2009-04 at 38 Ill. Reg. 24069; amended at 39 Ill. Reg. 1528, effective January 9, 2015; amended at 40 Ill. Reg. 12786, effective August 16, 2016; amended at 47 Ill. Reg. _____, effective _____.

Section 3118.10 Authority [\(Repealed\)](#)

~~This Part is promulgated by the Director of the Illinois Department of Insurance under Section~~

~~401 of the Illinois Insurance Code that empowers the Director to make reasonable rules and regulations as may be necessary for making effective the insurance laws of this State. This Part is promulgated pursuant to Articles XXXI³/₄ and XLV.~~

(Source: Repealed at 47 Ill. Reg. _____, effective _____)

Section 3118.20 Purpose and Scope

The purpose of this Part is to regulate the activities of public adjusters. This Part applies to all public adjusters licensed in accordance with [Article](#)~~Articles XXXI³/₄ and~~ XLV of the Code.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 3118.25 Definitions

~~"Adjusting Insurance Claims" means negotiating values, damages, or depreciation or applying the loss circumstances to insurance policy provisions.~~

"Code" means the Illinois Insurance Code [215 ILCS 5].

"Department" means the Illinois Department of Insurance.

"Director" means the Director of the Illinois Department of Insurance.

~~"Fingerprints" means an impression of the lines on the finger taken for the purpose of identification. The impression may be electronic or in ink converted to electronic format.~~

~~"Person" means an individual or a business entity and includes an individual, aggregation of individuals, corporation, association and partnership.~~

~~"Public Adjuster" or "Public Insurance Adjuster" means any person who, for compensation or any other thing of value, on behalf of the insured:~~

~~acts or aids, solely in relation to first party claims arising under insurance contracts that insure the real or personal property of the insured, in adjusting a claim for loss or damage covered by an insurance contract;~~

~~advertises for employment as a public adjuster of insurance claims or solicits business or represents himself or herself to the public as a public adjuster of first party insurance claims for losses or damages arising out of policies of insurance that insure real or personal property; or~~

~~directly or indirectly solicits business, investigates or adjusts losses, or advises an insured about first party claims for losses or damages arising out of policies of insurance that insure real or personal property for another person engaged in the business of adjusting losses or damages covered by an insurance policy for the insured.~~

(Source: Amended at 46 Ill. Reg. _____, effective _____)

Section 3118.45 Fingerprinting~~Application for License~~

Prior to the Department's issuance of a public adjuster's license or a renewal of the existing license, the applicant or adjuster (resident and non-resident) must have his or her fingerprints on file with the Department in accordance with Section 1520 of the Code.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 3118.50 Records Material

As used in Section 1585~~Articles XXXI³ and XLV~~ of the Code, records material means all books, papers, and documentary materials regardless of physical form or characteristics made, produced, executed, or received by any public adjuster pursuant to a law or in connection with the transaction of its business and preserved or appropriate for preservation by that~~such~~ adjuster or its successors as evidence of the organization, function, policies, decisions, procedures, obligations, and business of the adjuster or because of the informational data contained therein.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 3118.65 Resident License

- a) Each public adjuster shall complete continuing education in accordance with Section 1565 of the Code~~24 hours of continuing education prior to requesting a renewal of the public adjuster license. Three of the 24 hours of continuing education must consist of classroom ethics instruction.~~ The public adjuster must~~should~~ complete the continuing education no later than 30 days prior to the license renewal~~extension~~ date to allow time for the continuing education provider to submit proof of completion to the Department.:-
- b) Courses completed prior to the original issue date of the license shall not be used to meet the continuing education requirements.
- c) The public adjuster may accumulate a maximum of 36 credit hours on file with the Department. Ethics instruction hours shall not be accumulated to meet the

next compliance period, ~~and Ethics~~ must be completed in the continuing education compliance period for the renewal.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 3118.80 Contract Between Public Adjuster and Insured

- a) Each public adjuster shall file with and secure the approval of the Director of each contract before it is used in the State of Illinois.
- b) Each contract form filing submitted for approval must include provisions required by Section 1575 of the Code and must be consistent with the provisions of Article XLV of the Code. Contract form filings must include:
 - 1) ~~The~~ names and license numbers of the public adjusters making the filing;
 - 2) Notification~~notification~~ as to whether the filing is new or supersedes a current filing. Identification of all changes in all superseding filings, as well as identification of all superseded forms, is required; ~~and~~;
 - 3) ~~The~~ effective date of use.
- c) All contracts must contain the following and be formatted in no less than 10-point~~10-point~~ font:
 - 1) *Legible full name of the person signing the contract, as specified in the Department records;*
 - 2) Form number and edition of the form must appear in the lower left-hand~~left hand~~ corner of the contract form to be approved;
 - 3) Effective date of use;
 - 4) *Permanent home state; business address, email address, and phone number;*
 - 5) *License number* or space for indicating the license number~~same~~ if more than one public adjuster will be using the contract;
 - 6) The title "Public Adjuster Contract" printed at the head of the contract form with the name of the public adjuster or the public adjuster business entity and the location and telephone number of the public adjuster's

principal place of business. Unless located in a rural area that does not use a street address, P.O. Box addresses are not permitted unless the street address is also included;

- 7) A place to list *the insured's full name, street address, insurance company name, and policy number, if known or upon notification;*
- 8) A description of the loss and its location, ~~and~~*if applicable;*
- 9) A description of services to be provided to the insured;
- 10) A place for the *signatures of the public adjuster and the insured;*
- 11) A place for the *date, ~~and~~ time and location the contract was signed by the public adjuster and date, ~~and~~ time and location the contract was signed by the insured;*
- 12) *Attestation language stating that the public adjuster is fully bonded pursuant to State law;*
- 13) *Disclosure of full salary, fee, commission, compensation or other considerations the public adjuster is to receive for services; [215 ILCS 5/1575(a)]*
- 14) *Notice that, ~~at the option of the insured, any such contract shall be voidable for 5 business days after execution and that~~ the written contract shall constitute the entire agreement between the public adjuster and the insured;*
- 15) *Notice that, at the option of the insured, any such contract ~~that is executed within 5 business days after conclusion of the loss-producing occurrence~~ shall be voidable for ~~5~~40 days after execution, except when notice is required by the Fire Damage Representation Agreement Act [815 ILCS 625]. The insured may void the contract by notifying the public insurance adjuster in writing by:*
 - A) *registered or certified mail, return receipt requested, to the address shown on the contract with a postmark date within 5 days of execution of the contract; or*
 - B) *personally serving the notice on the public insurance adjuster: ~~[215 ILCS 5/512.58(a)]; [215 ILCS 5/1575(j)]~~*

- 16) Notice as required by the Fire Damage Representation Agreement Act [815 ILCS 625];
- 17) Notice that, if not later than 5 business days after the date of the loss is reported to the insurer, the insurer either pays or commits in writing to pay the policy limit, the public adjuster shall not receive a commission but only reasonable compensation for services provided.
- 18) Attestation language stating that the public adjuster who signed the contract is the public adjuster who solicited the public adjuster business.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 3118.85 Client Disclosure

- a) Public Adjusters must provide full written disclosure consistent with Section 1575(d) of the Code and Section 1590(d), (f), (g), and (h) of the Code.
- b) If the client of the public adjuster chooses either a ~~board-up~~board-up company, contractor or any other vendor in which the public adjuster, or its employees, agents or assigns, has or receives any ownership, beneficial or equitable interest in that ownership, then the nature of that ownership or interest must be disclosed to the public adjuster's client in writing prior to execution of any contract between the public adjuster's client and any entity in which the public adjuster has ownership or beneficial or equitable interest.
- c) The disclosure must contain, at a minimum:
 - 1) The~~the~~ following wording in 10-point~~10-point~~ font:

"~~In addition to the amount you will pay your public adjuster for loss settlement, [public adjuster name] will receive an additional payment from [contractor or vendor name] because of your agreement to work with that company. [Public adjuster name] has an arrangement with [contractor or vendor name] whereby [contractor or vendor name] agrees to pay [public adjuster name] if you agree to have [contractor or vendor] complete work for you.~~ You are not required to use any person recommended to you by the public adjuster and may choose any contractor or vendor you so choose."
 - 2) A statement clarifying the amount of ownership in the recommended contractor by the public adjuster or any immediate family; and

3) The specific amount of compensation the public adjuster will receive from the recommended contractor. This disclosure may be stated in an actual dollar amount or a percentage of the payment.

d) Notice of the Department's availability must be provided to all clients. The notice must include at least the following:

"This notice is to advise, should any complaints arise, you may contact the Illinois Department of Insurance at 320 West Washington Street, Springfield IL 62767, Phone: (866) 445-5364, or submit a consumer complaint on the Department's website at <http://insurance.illinois.gov>."

e) The public adjuster must provide all written disclosures regarding financial interests and the claim process, in addition to a consumer rights notice, before the insured signs the contract. Sample notices containing recommended language can be found on the Department's website at <http://insurance.illinois.gov>.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 3118.95 Required Disclosure (Repealed)

~~The public adjuster must provide written disclosures regarding financial interests and claim process, in addition to a consumer rights notice, prior to the insured signing the contract. Sample notices containing recommended language may be found on the Department website. (See examples of public adjuster forms and disclosures on the Department's website at <http://insurance.illinois.gov/Producer/PublicAdjusterKit.asp>.)~~

(Source: Repealed at 47 Ill. Reg. _____, effective _____)